

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

April 2005

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Receivables from/(payables to) filing and non-filing entities, net						
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	(818)	(110)	(210)	(110)	(30)
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(818)	(110)	(210)	(110)	(30)
Total Liabilities	-	(818)	(110)	(210)	(110)	(30)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(1,230,683)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(1,230,583)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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April 2005

	W.R. Grace Land Corporation	G.C. Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Accounts and other receivables, net	36,708,324	-	(73,061)	(12,559,518)	(264,688)	(19,464,242)
Receivables from/(payables to) filing and non-filing entities, net						
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	36,708,324	-	(73,061)	(12,559,518)	(264,688)	(19,463,742)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
Total Assets	\$ 42,993,130	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,459,676)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
Total Current Liabilities	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	199	4,066
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(812)	-	(110)	(265)	(759)	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(812)	-	(110)	(265)	(759)	-
Total Liabilities	(812)	-	(110)	(265)	(560)	4,066
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 42,993,130	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,459,676)

Note #3

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Combining Balance Sheet

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	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC-Thomerville Corp.	Grace Ventures Corp.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(1,432)	(300)	(335)	(405)	(185)	(110)
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(1,432)	(300)	(335)	(405)	(185)	(110)
Total Liabilities	(1,432)	(300)	(335)	(405)	(185)	(110)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

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	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgaece, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Properties and equipment, net						
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans						
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable						
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 504,081,786	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable						
Income taxes payable	(119)	(110)	-	(360)	(310)	(260)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(119)	(110)	-	(360)	(310)	(260)
Total Liabilities	(119)	(110)	-	(360)	(310)	(260)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 504,081,786	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)

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W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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April 2005

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracel, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	27,277,846	27,277,846	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	27,277,846	27,277,846	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(360)	1,749,615	1,749,790	(480)	(110)	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(360)	1,749,615	1,749,790	(480)	(110)	-
Total Liabilities	(360)	29,027,461	29,027,636	(480)	(110)	-
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -

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W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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April 2005

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Redclasses
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	200,000
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(19,494,281)
Other current assets	-	-	-	-	-
Total Current Assets	-	-	-	-	(19,294,281)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	
Deferred income taxes	-	-	-	-	(364,822,494)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,326,102,717)	307,393,708	1,800,000
Other assets	-	-	(1,101,282)	-	-
Total Assets	\$ -	\$ -	\$ (1,327,203,999)	\$ 307,393,708	\$ (382,316,775)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Liabilities Not Subject to Compromise					
Current Liabilities					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	5,000,000
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	-	-	(30,294,281)
Total Current Liabilities	-	-	-	-	(25,294,281)
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	(364,822,494)
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-
Total Liabilities Not Subject to Compromise	-	-	(100,000)	-	(390,116,775)
Liabilities Subject to Compromise					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities Subject to Compromise	-	-	-	-	-
Total Liabilities	-	-	(100,000)	-	(390,116,775)
Shareholders' Equity (Deficit)					
Preferred Stock	-	-	-	-	-
Common Stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,222,570,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(17,040,039)	312,411,403	2,000,000
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(1,000,000)	(5,017,695)	5,800,000
Total Shareholders' Equity (Deficit)	-	-	(1,327,103,999)	307,393,708	7,800,000
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,327,203,999)	\$ 307,393,708	\$ (382,316,775)

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W.R. Grace & Co. - Chapter 11 Filing Entities Combining Balance Sheet MOR - 3 April 2005		COMBINED FILING ENTITIES
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 198,769,064	
Accounts and other receivables, net	124,539,446	
Receivables from/(payables to) filing and non-filing entities, net	56,536,928	
Inventories	83,484,129	
Deferred income taxes	8,497,883	
Other current assets	17,566,636	
Total Current Assets	489,394,086	
Properties and equipment, net	350,598,638	
Goodwill	18,876,721	
Cash value of company owned life insurance, net of policy loans	81,088,076	
Deferred income taxes	669,128,225	
Asbestos-related insurance receivable	500,000,000	
Loans receivable from/(payable to) filing and non-filing entities, net	348,722,525	
Investment in filing and non-filing entities	497,186,586	
Other assets	82,994,291	
Total Assets	\$ 3,037,989,147	
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Liabilities Not Subject to Compromise		
Current Liabilities		
Debt payable within one year	\$ 0	
Accounts payable	58,635,223	
Income taxes payable	5,000,268	
Asbestos-related liability expected to be disbursed within one year	-	
Other current liabilities	75,647,405	
Total Current Liabilities	139,282,896	
Debt payable after one year	-	
Deferred income taxes	-	
Asbestos-related liability expected to be disbursed after one year	-	
Other liabilities	391,518,123	
Total Liabilities Not Subject to Compromise	530,801,019	
Liabilities Subject to Compromise		
Debt, pre-petition plus accrued interest	658,371,301	
Accounts payable	31,317,110	
Income taxes payable	131,753,128	
Asbestos-related liability	1,700,000,000	
Other liabilities	600,087,687	
Total Liabilities Subject to Compromise	3,121,529,226	
Total Liabilities	3,652,330,244	
Shareholders' Equity (Deficit)		
Preferred Stock	112	
Common Stock	785,546	
Paid in capital	423,547,429	
(Accumulated deficit)/Retained earnings	(559,618,602)	
Treasury stock, at cost	(119,873,585)	
Accumulated other comprehensive loss	(359,181,998)	
Total Shareholders' Equity (Deficit)	(614,341,098)	
Total Liabilities and Shareholders' Equity (Deficit)	\$ 3,037,989,147	

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn Status of Postpetition Taxes MOR-4 April 30, 2005					
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability	
Federal					
Withholding	\$ -	\$ 2,320,136	\$ (2,320,136)	\$ -	
FICA - Employee	6,485	1,134,584	(1,137,140)	3,929	
FICA and payroll- Employer	91,184	1,138,559	(1,355,514)	(125,771)	
Unemployment	-	14,223	(14,223)	-	
Other	-	10,822	(10,822)	-	
Total Federal Taxes	\$ 97,669	\$ 4,618,324	\$ (4,837,835)	\$ (121,842)	
State and Local					
Withholding	\$ (942)	\$ 765,299	\$ (765,295)	\$ (938)	
Sales & Use	334,471	358,696	(333,735)	359,432	
Property Taxes	2,648,386	394,407	(923,836)	2,118,957	
Other	-	75,001	(75,001)	-	
Total State and Local	\$ 2,981,915	\$ 1,593,403	\$ (2,097,867)	\$ 2,477,451	
Total Taxes	\$ 3,079,584	\$ 6,211,727	\$ (6,935,702)	\$ 2,355,609	

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc.
Status of Postpetition Taxes
MOR-4
April 30, 2005

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 28,743	\$ (28,743)	\$ -
FICA - Employee	-	9,703	(9,703)	-
FICA and payroll- Employer	-	9,703	(9,703)	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 48,149	\$ (48,149)	\$ -
State and Local				
Withholding	\$ -	\$ 629	\$ (629)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 629	\$ (629)	\$ -
Total Taxes	\$ -	\$ 48,778	\$ (48,778)	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Grace Washington, Inc.
Status of Postpetition Taxes
MOR-4
April 30, 2005

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 4,585	\$ (4,585)	\$ -
FICA - Employee	-	245	(245)	-
FICA and payroll- Employer	-	246	(246)	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 5,076	\$ (5,076)	\$ -
State and Local				
Withholding	\$ -	\$ 938	\$ -	\$ 938
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 938	\$ -	\$ 938
Total Taxes	\$ -	\$ 6,014	\$ (5,076)	\$ 938

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

L B Realty, Inc.
Status of Postpetition Taxes
MOR-4
April 30, 2005

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -
State and Local				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ -	\$ -	\$ -	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc. Status of Postpetition Taxes MOR-4 April 30, 2005				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	(1,650)	593	(593)	(1,650)
FICA and payroll- Employer	1,093	594	(218)	1,469
Unemployment	-	85	(85)	-
Other	-	-	-	-
Total Federal Taxes	\$ (557)	\$ 1,272	\$ (896)	\$ (181)
State and Local				
Withholding	\$ 1,364	\$ 963	\$ (963)	\$ 1,364
Sales & Use	-	-	-	-
Property Taxes	344,600	4,064	-	348,664
Other	-	-	-	-
Total State and Local	\$ 345,964	\$ 5,027	\$ (963)	\$ 350,028
Total Taxes	\$ 345,407	\$ 6,299	\$ (1,859)	\$ 349,847

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

W. R. Grace & Co. - Conn
Accounts Receivable Reconciliation and Aging
MOR-5
April 2005

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 109,797,760
Amounts billed during the period	80,137,682
Amounts collected during the period	(74,644,546)
Other	1,868,986
Trade accounts receivable at the end of month, gross	\$ 117,159,882

Trade Accounts Receivable Aging

Current	\$ 93,404,762
1-30 days past due	18,552,277
31-60 days past due	3,698,971
+61 days past due	1,503,872
Trade accounts receivable, gross	117,159,882
Allowance for doubtful accounts	(926,230)
Trade accounts receivable, net	\$ 116,233,652

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 116,233,652
Customer notes and drafts receivable	538,672
Pending customer credit notes	21,187
Advances and deposits	4,930,278
Nontrade receivables, net	397,277
Total notes and accounts receivable, net	\$ 122,121,066

Chart 6

Remedium Group, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
April 2005

Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
Trade Accounts Receivable Aging	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ -

Chart 6

Darex Puerto Rico, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
April 2005

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 2,374,853
Amounts billed during the period	694,754
Amounts collected during the period	(724,164)
Other	(13,570)
Trade accounts receivable at the end of month, gross	\$ 2,331,873

Trade Accounts Receivable Aging

Current	\$ 1,926,136
1-30 days past due	241,709
31-60 days past due	153,704
+61 days past due	10,324
Trade accounts receivable, gross	2,331,873
Allowance for doubtful accounts	(10,003)
Trade accounts receivable, net	\$ 2,321,870

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 2,321,870
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 2,321,870

Chart 6

Grace Europe, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
April 2005

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	96,510
Total notes and accounts receivable, net	\$ 96,510

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 April 2005		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

Note #5

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Combined Chapter 11 Filing Entity Statements

Chart 8

In millions	W. R. Grace & Co. - Chapter 11 Filing Entities Combined Statement of Operations			
	Month Ended April 30,		Four Months Ended April 30,	
	2005	2004	2005	2004
Net sales to third parties	\$ 80.9	\$ 74.3	\$ 301.9	\$ 282.5
Net sales to non-filing entities	30.7	24.1	108.6	85.3
Interest and royalties from non-filing entities	3.9	2.9	13.8	11.7
	115.5	101.3	424.3	379.5
Cost of goods sold to third parties	53.2	50.2	194.2	194.4
Cost of goods sold to non-filing entities	24.1	20.7	85.9	70.9
Selling, general and administrative expenses	22.1	20.9	91.1	82.6
Depreciation and amortization	4.6	4.9	19.5	19.4
Research and development expenses	3.0	2.8	12.6	11.4
Net pension expense	4.2	3.6	17.4	13.8
Interest expense	4.4	1.2	18.8	5.0
Other (income) expense	(9.4)	8.8	(11.5)	8.3
Provision for asbestos-related litigation, net of estimated insurance recovery	-	-	-	-
Provision for environmental remediation	-	-	-	-
	106.2	113.1	428.0	405.8
Income (loss) before Chapter 11 expenses, income taxes and equity in net income of non-filing entities	9.3	(11.8)	(3.7)	(26.3)
Chapter 11 expenses, net	(1.8)	(1.0)	(7.7)	(5.5)
Benefit from (provision for) income taxes	(3.8)	0.2	(4.6)	2.7
Income (loss) before equity in net income of non-filing entities	3.7	(12.6)	(16.0)	(29.1)
Equity in net income of non-filing entities	6.7	16.2	29.5	48.5
Net income (loss)	\$ 10.4	\$ 3.6	\$ 13.5	\$ 19.4

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Functional Basis Statement of Cash Flows			
In millions	Month Ended April 30, 2005	Four Months Ended April 30, 2005	
Core operations cash flow			
Pre-tax income from core operations	\$ 9.0	\$ 17.5	
Depreciation and amortization	4.6	19.5	
Payments to fund defined benefit pension arrangements	13.6	37.0	
Change in Non-Filing entity operating loans and Investment	(0.4)	(1.5)	
Changes in all core assets/liabilities and other	3.1	(70.6)	
Net increase in accounts receivable from Non-Filing entities due to transfer price adjustments	-	-	
Core Pre-tax Operating Cash Flow	15.4	(32.4)	
Capital expenditures	(3.9)	(12.7)	
Core Pre-tax Operating Free Cash Flow	11.5	(45.1)	
Charges against core reserves			
Restructuring costs	-	-	
Pension liabilities	-	-	
Deferred compensation	-	(0.2)	
Self insurance	(0.2)	(0.2)	
Total Spending Against Core Reserves	(0.2)	(0.4)	
Net Core Cash Flow	11.3	(45.5)	
Noncore cash flow			
Proceeds from asset sales	0.1	0.2	
Benefit proceeds under life insurance policies	0.2	2.2	
Cash received (paid) for litigation settlement	-	(8.3)	
Other noncore pretax cash flow	5.2	2.1	
Noncore Pre-tax Cash Flow	5.5	(3.8)	
Charges against noncore reserves			
Environmental remediation	(0.3)	(1.5)	
Retained obligations and other	(3.9)	(4.2)	
Postretirement benefits	(1.2)	(3.5)	
Total Spending Against Noncore Reserves	(5.4)	(9.2)	
Noncore Cash Flow	0.1	(13.0)	
Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow	11.4	(58.5)	
Cash paid for taxes, net of refunds	(90.4)	(91.3)	
Cash paid for interest, net	(0.2)	(0.5)	
Chapter 11 expenses paid	(2.9)	(7.3)	
Cash Flow before Strategic Investments	(82.1)	(157.6)	
Strategic Investments			
Cash paid for businesses acquired	-	-	
Proceeds from exercise of stock options	-	3.0	
Cash used for Strategic Investments	-	3.0	
Cash Flow after Strategic Investments	(82.1)	(154.6)	
Borrowings under the debtor-in-possession facility, net of fees	(0.2)	(0.8)	
Net (investing)/financing activities under life insurance policies	(0.1)	14.2	
Net Cash Flow	\$ (82.4)	\$ (141.2)	

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheet				
In millions	April 30, 2005	December 31, 2004	April 2, 2001	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 198.8	\$ 340.0	\$ 8.6	
Trade accounts receivable, less allowance of \$0.9 (2004 - \$1.0, Filing Date - \$0.7)	119.1	111.6	32.3	
Receivables from non-filing entities, net	56.5	37.8	51.2	
Inventories	83.5	76.9	80.6	
Deferred income taxes	8.5	6.6	80.9	
Asbestos-related insurance expected to be realized within one year	-	-	17.0	
Other current assets	23.0	31.5	33.4	
Total Current Assets	489.4	604.4	304.0	
Properties and equipment, net	350.6	359.9	400.4	
Goodwill	18.9	18.9	13.6	
Cash value of life insurance policies, net of policy loans	81.1	96.0	64.1	
Deferred income taxes	669.2	666.2	401.0	
Asbestos-related insurance expected to be realized after one year	500.0	500.0	323.4	
Loans receivable from non-filing entities, net	348.7	358.6	387.5	
Investment in non-filing entities	497.2	468.4	121.0	
Other assets	83.0	82.8	308.5	
Total Assets	\$ 3,038.1	\$ 3,155.2	\$ 2,323.5	
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
Liabilities Not Subject to Compromise				
Current Liabilities				
Debt payable within one year	\$ -	\$ -	\$ -	
Accounts payable	58.7	57.2	-	
Income taxes payable	5.0	5.0	-	
Other current liabilities	75.8	125.3	-	
Total Current Liabilities	139.5	187.5	-	
Debt payable after one year	-	-	-	
Other liabilities	391.6	381.8	31.8	
Total Liabilities Not Subject to Compromise	531.1	569.3	31.8	
Liabilities Subject to Compromise				
Debt, pre-petition plus accrued interest	658.4	645.8	511.5	
Accounts payable	31.3	31.3	43.0	
Income taxes payable	131.8	210.4	240.1	
Asbestos-related liability	1,700.0	1,700.0	1,002.8	
Other liabilities	600.0	620.2	568.6	
Total Liabilities Subject to Compromise	3,121.5	3,207.7	2,366.0	
Total Liabilities	3,652.6	3,777.0	2,397.8	
Shareholders' Equity (Deficit)				
Common stock	0.8	0.8	0.8	
Paid in capital	423.5	426.5	432.6	
Accumulated deficit	(559.7)	(573.2)	(201.8)	
Treasury stock, at cost	(119.9)	(125.9)	(136.4)	
Accumulated other comprehensive loss	(359.2)	(350.0)	(169.5)	
Total Shareholders' Equity (Deficit)	(614.5)	(621.8)	(74.3)	
Total Liabilities and Shareholders' Equity (Deficit)	\$ 3,038.1	\$ 3,155.2	\$ 2,323.5	

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co.
Notes to Combined Financial Statements
April 30, 2005

1. Basis of Presentation and Summary of Significant Accounting and Financial Reporting Policies

W. R. Grace & Co., through its subsidiaries, is engaged in specialty chemicals and specialty materials businesses on a worldwide basis through two business segments: "Davison Chemicals," which includes two product groups – refining technologies and specialty materials; and "Performance Chemicals," which includes three product groups – specialty construction chemicals, building materials, and sealants and coatings.

W. R. Grace & Co. conducts substantially all of its business through a direct, wholly owned subsidiary, W. R. Grace & Co.-Conn. ("Grace-Conn."). Grace-Conn. owns substantially all of the assets, properties and rights of W. R. Grace & Co. on a consolidated basis, either directly or through subsidiaries.

As used in these notes, the term "Company" refers to W. R. Grace & Co. The term "Grace" refers to the Company and/or one or more of its subsidiaries and, in certain cases, their respective predecessors.

Voluntary Bankruptcy Filing – In response to a sharply increasing number of asbestos-related personal injury claims, on April 2, 2001 (the "Filing Date"), W. R. Grace & Co. and 61 of its United States subsidiaries and affiliates, including Grace-Conn. (collectively, the "Debtors"), filed voluntary petitions for reorganization (the "Filing") under Chapter 11 of the United States Bankruptcy Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The cases were consolidated and are being jointly administered under case number 01-01139 (the "Chapter 11 Cases"). Grace's non-U.S. subsidiaries and certain of its U.S. subsidiaries were not included in the Filing.

During 2000 and the first quarter of 2001, Grace experienced several adverse developments in its asbestos-related litigation, including: a significant increase in personal injury claims, higher than expected costs to resolve personal injury and certain property damage claims, and class action lawsuits alleging damages from a former attic insulation

product (Zonolite Attic Insulation or "ZAI"). After a thorough review of these developments, the Board of Directors of Grace concluded on April 2, 2001 that a federal court-supervised Chapter 11 process provided the best forum available to achieve fairness in resolving these claims. Under Chapter 11, the Debtors have continued to operate their businesses as debtors-in-possession under court protection from creditors and claimants, while using the Chapter 11 process to develop and implement a plan for addressing the asbestos-related claims. Since the Filing, all motions necessary to conduct normal business activities have been approved by the Bankruptcy Court. (See Note 2 for Chapter 11 Related Information.)

Basis of Presentation – The interim Consolidated Financial Statements presented herein are unaudited and should be read in conjunction with the Consolidated Financial Statements presented in the Company's 2004 Annual Report on Form 10-K. Such interim Consolidated Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented; all such adjustments are of a normal recurring nature. Potential accounting adjustments discovered during normal reporting and accounting processes are evaluated on the basis of materiality, both individually and in the aggregate, and are recorded in the accounting period discovered, unless a restatement of a prior period is necessary. All significant intercompany accounts and transactions have been eliminated.

The results of operations for the four-month interim period ended April 30, 2005 are not necessarily indicative of the results of operations for the year ending December 31, 2005.

Reclassifications – Certain amounts in prior years' Consolidated Financial Statements have been reclassified to conform to the 2005 presentation.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions affecting the assets and liabilities reported at the date of the Consolidated Financial Statements, and the revenues and expenses reported for the periods

presented. Actual amounts could differ from those estimates. Changes in estimates are recorded in the period identified. Grace's accounting measurements that are most affected by management's estimates of future events are:

- Contingent liabilities such as asbestos-related matters, environmental remediation, income taxes, and litigation related to retained obligations of divested businesses and discontinued operations.
- Pension and postretirement liabilities that depend on assumptions regarding discount rates and/or total returns on invested funds.
- Depreciation and amortization periods for long-lived assets, including property and equipment, intangible, and other assets.
- Realization values of various assets such as net deferred tax assets, trade receivables, inventories, insurance receivables, and goodwill.

The accuracy of these and other estimates may also be materially affected by the uncertainties arising under Grace's Chapter 11 proceeding.

Financial Instruments – Grace periodically enters into interest rate swap agreements and foreign exchange forward and option contracts to manage exposure to fluctuations in interest and foreign currency exchange rates. Grace does not hold or issue derivative financial instruments for trading purposes. At April 30, 2005, Grace did not hold and had not issued any derivative financial instruments.

Effect of New Accounting Standards – In December 2004, the Financial Accounting Standards Board ("FASB") revised Statement of Financial Accounting Standards ("SFAS") No. 123, "Share-Based Payment," to require companies to measure and recognize in operations the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value. The provisions of this standard are effective as of the beginning of the first annual reporting period that begins after June 15, 2005. Grace believes that this standard will not have a material impact on the Consolidated Financial Statements.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs – an Amendment of ARB No. 43, Chapter 4," to provide clarification that abnormal amounts of idle facility expense, freight, handling costs, and wasted material be recognized as current-period charges. In addition, this standard requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. The provisions of this standard are effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Grace is currently evaluating the impact the standard will have on the Consolidated Financial Statements.

2. Chapter 11 Related Information

Plan of Reorganization – On November 13, 2004 Grace filed a plan of reorganization, as well as several associated documents, including a disclosure statement, with the Bankruptcy Court. On January 13, 2005, Grace filed an amended plan of reorganization (the "Plan") and related documents to address certain objections of creditors and other interested parties. The amended Plan is supported by committees representing general unsecured creditors and equity holders, but is not supported by committees representing asbestos personal injury claimants and asbestos property damage claimants.

Under the terms of the Plan, a trust would be established under Section 524(g) of the Bankruptcy Code to which all pending and future asbestos-related claims would be channeled for resolution. Grace has requested that the Bankruptcy Court conduct an estimation hearing to determine the amount that would need to be paid into the trust on the effective date of the Plan to satisfy the estimated liability for each class of asbestos claimants and trust administration costs and expenses over time. The Plan provides that Grace's asbestos-related liabilities would be satisfied using cash and securities from Grace and third parties.

The Plan will become effective only after a vote of eligible creditors and with the approval of the Bankruptcy Court and the U.S. District Court for the District of Delaware. Votes on the Plan may not be solicited until the Bankruptcy Court approves the disclosure statement. The Debtors have received

extensions of their exclusive right to propose a plan of reorganization through May 24, 2005, and extensions of the Debtors' exclusive right to solicit acceptances of a plan of reorganization through July 24, 2005.

Under the terms of the Plan, Grace would satisfy claims under the Chapter 11 cases as follows:

Asbestos-Related Claims and Costs

A trust would be established under Section 524(g) of the Bankruptcy Code to which all pending and future asbestos-related claims would be channeled for resolution. The trust would utilize specified trust distribution procedures to satisfy the following allowed asbestos-related claims and costs:

1. *Personal injury claims that meet specified exposure and medical criteria (Personal Injury-Symptomatic Eligible or "PI-SE" Claims)* – In order to qualify for this class, claimants would have to prove that their health is impaired from meaningful exposure to asbestos-containing products formerly manufactured by Grace.
2. *Personal injury claims that do not meet the exposure and medical criteria necessary to qualify as PI-SE Claims (Personal Injury-Asymptomatic and Other or "PI-AO" Claims)* – This class would contain all asbestos-related personal injury claims against Grace that do not meet the specific requirements to be PI-SE Claims but do meet certain other specified exposure and medical criteria.
3. *Property damage claims, including claims related to ZAI ("PD Claims")* – In order to qualify for this class, claimants would have to prove Grace liability for loss of property value or remediation costs related to asbestos-containing products formerly manufactured by Grace.
4. *Trust administration costs and legal expenses.*

The claims arising from such proceedings would be subject to this classification process as part of the Plan.

Grace has requested that the Bankruptcy Court conduct estimation hearings to determine the amounts that would need to be paid into the trust on the effective date of the Plan to satisfy the estimated liability for each class of asbestos claimants and trust administration costs and expenses over time. The amounts to fund PI-SE Claims, PD Claims and the expense of trust administration would be capped at the amount determined through the estimation hearing, therefore, after initial funding of the asbestos trust; Grace would have no further obligation for these claims and costs. Amounts required to fund PI-AO Claims would not be capped, so if the amount funded in respect thereof later proved to be inadequate, Grace would be responsible for contributing additional funds into the asbestos trust to satisfy PI-AO Claims. Grace does not expect the estimation process to be completed before mid-2006.

Asbestos personal injury claimants would have the option either to litigate their claims against the trust in federal court in Delaware or, if they meet specified eligibility criteria, accept a settlement amount based on the severity of their condition. Asbestos property damage claimants would be required to litigate their claims against the trust in federal court in Delaware. The Plan provides that, as a condition precedent to confirmation, the maximum estimated aggregate funding amount for all asbestos-related liabilities (PI-SE, PI-AO and PD including ZAI) and trust administration costs and expenses as determined by the Bankruptcy Court cannot exceed \$1,613 million, which Grace believes would fund over \$2 billion in claims, costs and expenses over time.

The PI-SE Claims, the PD Claims and the related trust administration costs and expenses would be funded with (1) \$512.5 million in cash (plus interest at 5.5% compounded annually from December 21, 2002) and nine million shares of common stock of Sealed Air Corporation ("Sealed Air") pursuant to the terms of a settlement agreement resolving asbestos-related and fraudulent transfer claims against Sealed Air, and (2) Grace common stock. The amount of Grace common stock required to satisfy these claims will depend on the liability measures approved by the Bankruptcy Court and the value of the Sealed Air settlement, which changes daily with the accrual of interest and the trading

value of Sealed Air stock. The Sealed Air settlement agreement remains subject to Bankruptcy Court approval and the fulfillment of specified conditions.

The PI-AO Claims would be funded with warrants exercisable for that number of shares of Grace common stock which, when added to the shares issued directly to the trust on the effective date of the Plan, would represent 50.1% of Grace's voting securities. If the common stock issuable upon exercise of the warrants is insufficient to pay all PI-AO Claims (the liability for which is uncapped under the Plan), then Grace would pay any additional liabilities in cash.

Other Claims

The Plan provides that all allowed claims other than those covered under the asbestos trust would be paid 100% in cash (if such claims qualify as administrative or priority claims) or 85% in cash and 15% in Grace common stock (if such claims qualify as general unsecured claims). Grace estimates that claims with a recorded value of approximately \$1,264 million, including interest accrued through March 31, 2005, would be satisfied in this manner at the effective date of the Plan. Grace would finance these payments with cash on hand, cash from Fresenius Medical Care Holdings, Inc. ("Fresenius") paid in settlement of asbestos and other Grace-related claims, new Grace debt, and Grace common stock. Grace would satisfy other non-asbestos related liabilities and claims (primarily certain environmental, tax, pension and retirement medical obligations) as they become due and payable over time. Proceeds from available product liability insurance applicable to asbestos-related claims would supplement operating cash flow to service new debt and liabilities not paid on the effective date of the Plan.

Effect on Grace Common Stock

The Plan provides that Grace common stock will remain outstanding at the effective date of the Plan, but that the interests of existing shareholders would be subject to dilution by additional shares of common stock issued under the Plan. In addition, in order to preserve significant tax benefits from net operating loss carryforwards ("NOLs"), which are subject to elimination or limitation in the event of a change in control (as defined by the Internal Revenue Code) of Grace, the Plan places restrictions

on the purchase of Grace common stock. The restrictions would prohibit (without the consent of Grace), for a period of three years, a person or entity from acquiring more than 4.75% of the outstanding Grace common stock or, for those persons already holding more than 4.75%, prohibit them from increasing their holdings. The Bankruptcy Court has also approved the trading restrictions described above until the effective date of the Plan.

Grace intends to address all pending and future asbestos-related claims and all other pre-petition claims as outlined in the Plan. However, Grace may not be successful in obtaining approval of the Plan by the Bankruptcy Court and other interested parties. Instead, a materially different plan of reorganization may ultimately be approved and, under the ultimate plan of reorganization, the interests of the Company's shareholders could be substantially diluted or cancelled. The value of Grace common stock following a plan of reorganization, and the extent of any recovery by non-asbestos-related creditors, will depend principally on the allowed value of Grace's asbestos-related claims as determined by the Bankruptcy Court.

Official Parties to Grace's Chapter 11 Proceedings

- Three creditors' committees, two representing asbestos claimants and the third representing other unsecured creditors, and a committee representing shareholders have been appointed in the Chapter 11 Cases. These committees, and a legal representative of future asbestos claimants, have the right to be heard on all matters that come before the Bankruptcy Court and are likely to play important roles in the Chapter 11 Cases. The Debtors are required to bear certain costs and expenses of the committees and of the future asbestos claimants' representative, including those of their counsel and financial advisors.

Claims Filings – The Bankruptcy Court established a bar date of March 31, 2003 for claims of general unsecured creditors, asbestos-related property damage claims and medical monitoring claims related to asbestos. The bar date did not apply to asbestos-related personal injury claims or claims related to ZAI, which will be dealt with separately.

Approximately 14,900 proofs of claim were filed by the bar date. Of these claims, approximately 9,400 were non-asbestos related, approximately 4,300 were for asbestos-related property damage, and approximately 1,000 were for medical monitoring. The medical monitoring claims were made by individuals who allege exposure to asbestos through Grace's products or operations. These claims, if sustained, would require Grace to fund ongoing health monitoring costs for qualified claimants. In addition, approximately 500 proofs of claim were filed after the bar date.

Approximately 7,000 of the non-asbestos related claims involve claims by employees or former employees for future retirement benefits such as pension and retiree medical coverage. Grace views most of these claims as contingent and has proposed a plan of reorganization that would retain such benefits. The other non-asbestos related claims include claims for payment of goods and services, taxes, product warranties, principal and interest under pre-petition credit facilities, amounts due under leases and other contracts, leases and other executory contracts rejected in the Bankruptcy Court, environmental remediation, indemnification or contribution to actual or potential co-defendants in asbestos-related and other litigation, pending non-asbestos-related litigation, and non-asbestos-related personal injury.

The Debtors' have analyzed the claims as filed and have found that many are duplicates, represent the same claim filed against more than one of the Debtors, lack any supporting documentation, or provide insufficient supporting documentation. As of March 31, 2005, the Debtors had filed with the Bankruptcy Court objections to 1,366 claims. Most of these objections were non-substantive (duplicates, no supporting documentation, late filed claims, etc.). Of such claims, 1,104 have been expunged, 202 have been resolved, 33 have been withdrawn, and the remainder will be addressed through the claims objection process and the dispute resolution procedures approved by the Bankruptcy Court. The Debtors expect to file objections to a substantial number of additional claims.

Grace believes that its recorded liabilities for claims subject to the bar date represent a reasonable estimate of the ultimate allowable amount for claims

that are not in dispute or have been submitted with sufficient information to both evaluate merit and estimate the value of the claim. The asbestos-related claims are considered as part of Grace's overall asbestos liability and are being accounted for in accordance with the conditions precedent under the Plan, as described in "Accounting Impact" below. As claims are resolved, or where better information becomes available and is evaluated, Grace will make adjustments to the liabilities recorded on its financial statements as appropriate. Any such adjustments could be material to its consolidated financial position and results of operations.

Litigation Proceedings in Bankruptcy Court – In September 2000, Grace was named in a purported class action lawsuit filed in California Superior Court for the County of San Francisco, alleging that the 1996 reorganization involving a predecessor of Grace and Fresenius and the 1998 reorganization involving a predecessor of Grace and Sealed Air were fraudulent transfers. The Bankruptcy Court authorized the Official Committee of Asbestos Personal Injury Claimants and the Official Committee of Asbestos Property Damage Claimants to proceed with claims against Fresenius and Sealed Air on behalf of the Debtors' bankruptcy estate.

On November 29, 2002, Sealed Air and Fresenius each announced that they had reached agreements in principle with such Committees to settle asbestos and fraudulent transfer claims related to such transactions (the "litigation settlement agreements"). Under the terms of the Fresenius settlement, subject to certain conditions, Fresenius would contribute \$115.0 million to the Debtors' estate as directed by the Bankruptcy Court upon confirmation of the Debtors' plan of reorganization, subject to the fulfillment of specified conditions. In July 2003, the Fresenius settlement was approved by the Bankruptcy Court. Under the terms of the proposed Sealed Air settlement, Sealed Air would make a payment of \$512.5 million (plus interest at 5.5% compounded annually, commencing on December 21, 2002) and nine million shares of Sealed Air common stock (valued at \$436.0 million as of April 30, 2005), as directed by the Bankruptcy Court upon confirmation of the Debtors' plan of reorganization. The Sealed Air settlement remains subject to the

approval of the Bankruptcy Court and the fulfillment of specified conditions.

Debt Capital – All of the Debtors' pre-petition debt is in default due to the Filing. The accompanying Consolidated Balance Sheets reflect the classification of the Debtors' pre-petition debt within "liabilities subject to compromise."

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement with Bank of America, N.A. (the "DIP facility") in the aggregate amount of \$250 million. The term of the DIP facility expires on April 1, 2006.

Accounting Impact – The accompanying Consolidated Financial Statements have been prepared in accordance with Statement of Position 90-7 ("SOP 90-7"), "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," promulgated by the American Institute of Certified Public Accountants. SOP 90-7 requires that financial statements of debtors-in-possession be prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. However, as a result of the Filing, the realization of certain of the Debtors' assets and the liquidation of certain of the Debtors' liabilities are subject to significant uncertainty. While operating as debtors-in-possession, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the Consolidated Financial Statements. Further, the ultimate plan of reorganization could materially change the amounts and classifications reported in the Consolidated Financial Statements.

Pursuant to SOP 90-7, Grace's pre-petition liabilities that are subject to compromise are required to be reported separately on the balance sheet at an estimate of the amount that will ultimately be allowed by the Bankruptcy Court. As of April 30, 2005, such pre-petition liabilities include fixed obligations (such as debt and contractual commitments), as well as estimates of costs related to contingent liabilities (such as asbestos-related litigation, environmental remediation, and other claims). Obligations of Grace subsidiaries not covered by the Filing

continue to be classified on the Consolidated Balance Sheets based upon maturity dates or the expected dates of payment. SOP 90-7 also requires separate reporting of certain expenses, realized gains and losses, and provisions for losses related to the Filing as reorganization items.

Grace has not recorded any assets available to fund asbestos-related and other liabilities under the litigation settlements with Sealed Air and Fresenius, as such agreements are subject to conditions which, although expected to be met, have not been satisfied and approved by the Bankruptcy Court.

Grace's Consolidated Balance Sheets separately identify the liabilities that are "subject to compromise" as a result of the Chapter 11 proceedings. In Grace's case, "liabilities subject to compromise" represent pre-petition liabilities as determined under U.S. generally accepted accounting principles. Changes to the recorded amount of such liabilities will be based on developments in the Chapter 11 Cases and management's assessment of the claim amounts that will ultimately be allowed by the Bankruptcy Court. Changes to pre-petition liabilities subsequent to the Filing Date reflect: 1) cash payments under approved court orders; 2) the terms of Grace's proposed plan of reorganization, as discussed above, including the accrual of interest on pre-petition debt and the adjustment to Grace's recorded asbestos-related liability; 3) accruals for employee-related programs; and 4) changes in estimates related to other pre-petition contingent liabilities.

Change in Liabilities Subject to Compromise -
 Following is a reconciliation of the changes in pre-filing date liability balances for the period from the Filing Date through April 30, 2005.

<i>(In millions)</i>	Current Month	Cumulative Since Filing
Balance, beginning of period	\$ 3,200.1	\$ 2,366.0
Cash disbursements and/or reclassifications under Bankruptcy Court orders:		
Freight and distribution order	—	(5.7)
Trade accounts payable order	—	(9.1)
Other court orders including employee wages and benefits, sales and use tax and customer programs	(96.2)	(368.6)
Expense/(income) items:		
Interest on pre-petition liabilities	4.0	170.4
Employee-related accruals	0.1	21.5
Change in estimate of asbestos-related contingencies	—	744.8
Change in estimate of environmental contingencies	—	240.6
Change in estimate of income tax contingencies	13.5	(12.7)
Balance sheet reclassifications	—	(25.7)
Balance, end of period	\$ 3,121.5	\$ 3,121.5

Additional liabilities subject to compromise may arise due to the rejection of executory contracts or unexpired leases, or as a result of the allowance of contingent or disputed claims.

3. Other Balance Sheet Accounts

<i>(In millions)</i>	April 30, 2005	Filing Date
Inventories		
Raw materials	\$ 22.1	\$ 20.3
In process	21.6	16.2
Finished products	73.4	63.8
General merchandise	13.3	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis	(46.9)	(29.3)
	\$ 83.5	\$ 80.6
Other Assets		
Deferred pension costs	\$ 3.0	\$ 227.9
Deferred charges	35.9	40.4
Long-term receivables	7.5	1.9
Long-term investments	—	2.1
Patents, licenses and other intangible assets	21.3	25.2
Pension – unamortized prior service cost	15.3	8.1
Other assets	—	2.9
	\$ 83.0	\$ 308.5
Other Current Liabilities		
Accrued compensation	\$ 21.3	\$ --
Accrued commissions	3.4	--
Customer programs	8.9	--
Accrued utilities	0.1	--
Accrued freight	3.8	--
Accrued reorganization fees	11.8	--
Other accrued liabilities	26.5	--
	\$ 75.8	\$ --
Other Liabilities		
Deferred royalty income – non-filing entities	\$ --	\$ 31.8
Pension – underfunded plans	327.0	--
Other accrued liabilities	64.6	--
	\$ 391.6	\$ 31.8
Other Liabilities Subject to Compromise		
Other postretirement benefits	\$ 113.6	\$ 185.4
Environmental remediation	343.5	164.8
Retained obligations of divested businesses	15.6	45.5
Special pension arrangements	79.2	70.8
Deferred compensation	4.3	8.2
Self insurance reserve	11.6	11.8
Accrued interest on pre-petition liabilities	28.9	--
Other accrued liabilities	3.3	82.1
	\$ 600.0	\$ 568.6

4. Life Insurance

Grace is the beneficiary of life insurance policies on certain current and former employees with a net cash surrender value of \$81.1 million at April 30, 2005. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years.

The following table summarizes the net cash value at April 30, 2005 and Filing Date:

Components of Net Cash Value (In millions)	April 30, 2005	Filing Date
Gross cash value	\$ 104.8	\$ 453.7
Principal – policy loans	(22.7)	(390.3)
Accrued interest – policy loans....	(1.0)	0.7
Net cash value.....	\$ 81.1	\$ 64.1
Insurance benefits in force.....	\$ 193.6	\$2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

In January 2005, Grace surrendered and terminated most of these life insurance policies and received approximately \$14.8 million of net cash value from the termination. As a result of the termination, gross cash value of the policies was reduced by approximately \$381 million and policy loans of approximately \$365 million were satisfied. Grace's insurance benefits in force were reduced by approximately \$2 billion to approximately \$191 million as of January 31, 2005.

5. Debt

On April 30, 2005, and Filing Date, Grace's debt was as follows:

Components of Debt (In millions)	April 30, 2005	Filing Date
Debt payable within one year		
DIP facility	\$ --	\$ --
Other short-term borrowings	--	--
	\$ --	\$ --
Debt payable after one year		
DIP facility	\$ --	\$ --
Other long-term borrowings	--	--
	\$ --	\$ --
Debt Subject to Compromise		
Bank borrowings	\$ 500.0	\$ 500.0
8.0% Notes Due 2004	--	5.7
7.75% Notes Due 2002	--	2.0
Other borrowings	14.7	1.2
Accrued interest	143.7	2.6
	\$ 658.4	\$ 511.5

In April 2001, the Debtors entered into the DIP facility for a two-year term in the aggregate amount of \$250 million. The DIP facility is secured by priority liens on substantially all assets of the Debtors, and bears interest based on LIBOR. The Debtors' have extended the term of the DIP facility through April 1, 2006. Grace had no outstanding borrowings under the DIP facility as of April 30, 2005; however, \$28.8 million of standby letters of credit were issued and outstanding under the facility. The letters of credit, which reduce available funds under the facility, were issued mainly for trade-related matters such as performance bonds, and certain insurance and environmental matters.

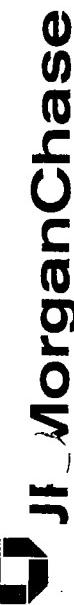
Bank Statements



**Statement of Account
In US Dollars**

TS
W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

[REDACTED]



Statement of Account

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

In US Dollars
Account No: 910-1-013572
Statement Start Date: 01 MAR 2005
Statement End Date: 31 MAR 2005
Statement Code: 000-USA-21
Statement No: 003

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Ledger Date	Adj Ledger Date	Value Date	F	T	References	Credit / Debit	Description	Date	Closing Balance	Amount
DEBITS CONTINUED										
04MAR 03MAR	03MAR	USD OUR:	0506300093WA				002-2-416598 FOR WORK OF 03/02/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	07MAR 08MAR 09MAR 10MAR 11MAR 14MAR 15MAR 16MAR 17MAR 18MAR	105,794.73 94,631.10 81,401.27 67,391.91 55,211.54 48,895.56 134,043.81 122,156.84 110,115.73 93,524.14	
07MAR 04MAR	04MAR	USD OUR:	0506600094WA				002-2-416598 FOR WORK OF 03/03/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	15MAR 16MAR 17MAR 18MAR	134,043.81 122,156.84 110,115.73 93,524.14	
08MAR 07MAR	07MAR	USD OUR:	0506700089WA				002-2-416598 FOR WORK OF 03/04/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	21MAR 22MAR 23MAR 24MAR	82,700.77 68,545.81 60,922.73 49,420.30	
— 09MAR 08MAR	08MAR	USD OUR:	0506800093WA				002-2-416598 FOR WORK OF 03/04/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	25MAR 28MAR 29MAR 30MAR 31MAR	142,437.71 131,269.65 121,193.83 116,703.34 99,650.92	
10MAR 09MAR	09MAR	USD OUR:	0506900094WA				002-2-416598 FOR WORK OF 03/07/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
— 11MAR 10MAR	10MAR	USD OUR:	0507000093WA				002-2-416598 FOR WORK OF 03/08/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
14MAR 11MAR	11MAR	USD OUR:	0507300093WA				002-2-416598 FOR WORK OF 03/09/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
12,180.37							002-2-416598 FOR WORK OF 03/10/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
6,315.98							002-2-416598 FOR WORK OF 03/11/05 W R GRACE & CO C/O CORPORATE			



Statement of Account

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**W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098**

TS

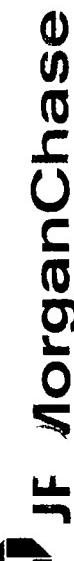
In US Dollars

Account No:	910-1-013572
Statement Start Date:	01 MAR 2005
Statement End Date:	31 MAR 2005
Statement Code:	000-USA-21
Statement No:	003

Page 3 of 4

DEBITS CONTINUED

Ledger Date	Adj Ledger Date	Value Date	F	T	References	Credit / Debit	Description	Closing Balances Amount
15MAR 14MAR		14MAR	USD	OUR:	0507400091WA	14,851.75	ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/14/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
16MAR 15MAR		15MAR	USD	OUR:	0507500088WA	11,886.97	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/15/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
17MAR 16MAR		16MAR	USD	OUR:	0507600091WA	12,041.11	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/16/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
18MAR 17MAR		17MAR	USD	OUR:	0507700090WA	16,591.59	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/17/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
—		18MAR	USD	OUR:	0508000092WA	10,823.37	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/18/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
21MAR 18MAR		21MAR	USD	OUR:	0508100091WA	14,154.96	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/21/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
22MAR 21MAR		22MAR	USD	OUR:	0508200090WA	7,623.08	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/22/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	
—		23MAR 22MAR	—	—	—	—	—	—



Statement w/ Account

In US Dollars
 Account No: 910-1-013572
 Statement Start Date: 01 MAR 2005
 Statement End Date: 31 MAR 2005
 Statement Code: 000-USA-21
 Statement No: 003
 Page 4 of 4

W R GRACE & CO
 C/O CORPORATE ACCOUNTING
 7500 GRACE DRIVE
 COLUMBIA MD 21044-4098

TS

DEBITS CONTINUED

24MAR 23MAR 23MAR USD OUR: 0508300093WA

Ledger Date	Adj Ledger Date	Value Date	F	T	References	Credit / Debit	Description	Closing Balances	Date	Amount
25MAR 24MAR	24MAR	24MAR	USD	OUR:	05088400095WA	6,982.59	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/23/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
28MAR 25MAR	25MAR	25MAR	USD	OUR:	05088700093WA	11,168.06	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/24/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
29MAR 28MAR	28MAR	28MAR	USD	OUR:	0508800094WA	10,075.82	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/25/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
30MAR 29MAR	29MAR	29MAR	USD	OUR:	0508900092WA	4,490.49	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/26/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
31MAR 30MAR	30MAR	30MAR	USD	OUR:	0509000094WA	17,052.42	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 03/27/05 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			

No Activity

CHECKS



WACHOVIA

01 2199500021812 036 130

0

167.278

00057171 1 MB 0.309 02 MAAD 22

W. B. GRACE AND D. G. GRAY

W R GRACE AND CO
GENERAL ACCOUNTS

**GENERAL ACCOUNT
ATTN: PATTY ELLIOTT CRAM**

ATTN. PATTI ELLIOTT-GRAY
7500 GRACE DRIVE BLDG. 2

1000 BRACE DRIVE . BLDG
COLUMBIA, MD 21066-6088

11-100000-22044-4098

CB

Commercial Checking

3/01/2005 thru 3/3

Account number: 2199500021812
Account owner(s): W R GRACE AND CO-CONN
GENERAL ACCOUNT

Taxpayer ID Number: 135114230

Account Summary

Opening balance 3/01	\$10,000.00
Deposits and other credits	493,135.63 +
Other withdrawals and service fees	493,135.63 -
Closing balance 3/31	\$10,000.00

Deposits and Other Credits

	<i>Amount</i>	<i>Description</i>
3/02	0.00	DEPOSIT
3/02	0.00	DEPOSIT
3/02	759.22	DEPOSIT
3/02	55,534.12	DEPOSIT
3/02	78,452.15	DEPOSIT
3/08	0.00	DEPOSIT
3/08	43,222.53	DEPOSIT
3/08	80,026.23	DEPOSIT
3/21	21,758.97	DEPOSIT
3/21	125,739.55	DEPOSIT
3/22	124.16	DEPOSIT
3/22	87,518.70	DEPOSIT
Total	\$493,135.63	

Other Withdrawals and Service Fees

<u>Date</u>	<u>Amount</u>	<u>Description</u>
3/04	134,008.08	FUNDS TRANSFER (ADVICE 050304022124) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 03/04/05 12:24PM
3/11	123,986.17	FUNDS TRANSFER (ADVICE 050311043550) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 03/11/05 03:36PM
3/28	235,141.38	FUNDS TRANSFER (ADVICE 050328027676) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 03/28/05 01:43PM
Total	\$493,135.63	

Daily Balance Summary

<u>Dates</u>	<u>Amount</u>	<u>Dates</u>	<u>Amount</u>	<u>Dates</u>
3/02	144,745.49	3/11	10,000.00	3/28
3/04	10,737.41	3/21	157,498.52	
3/08	133,986.17	3/22	245,141.38	



00030665 1 MB 0.309 02 MAAD 133
W R GRACE & CO-CONN
ATTN: BILLIE GARDNER
7500 GRACE DR.
COLUMBIA MD 21044-4098

CB 113

Commercial Checking

4/01/2005 thru 4/29/2005

Account number: 2079900003615
Account owner(s): W R GRACE & CO-CONN

Taxpayer ID Number: 133461988

Account Summary

Opening balance 4/01	\$0.00
Deposits and other credits	92,006.52 +
Other withdrawals and service fees	92,006.52 -
Closing balance 4/29	\$0.00

Deposits and Other Credits

Date	Amount	Description
4/12	60,993.23	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
4/26	31,013.29	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W R GRACE & COM
Total	\$92,006.52	

Other Withdrawals and Service Fees

Date	Amount	Description
4/12	60,993.23	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 050412 CCD MISC SETTL NCVCERIDN REMEDIUM NC
4/26	31,013.29	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 050426 CCD MISC SETTL NCVCERIDN REMEDIUM NC
Total	\$92,006.52	

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
4/12	0.00	4/26	0.00		



Merrill Lynch Funds For Institutions

P.O. Box 8118, Boston, MA 02266-8118 (800) 225-1576

3771

W R GRACE & CO - CONN
ATTN TREASURY DEPT
7500 GRACE DR
COLUMBIA MD 21044-4029

Merrill Lynch Premier Institutional Fund

Cumulative Statement for 03/01/2005 - 03/31/2005

Account Number
318-3323735-8Financial Advisor
H P S Group
(--73807646)Account Value As Of 03/31/2005
\$272,757,127.84

Dividends		
03/01/2005 - 03/31/2005	\$586,032.94	Year To Date
		\$1,795,357.51

> THE AVERAGE NET ANNUALIZED YIELD FOR THE MONTH OF MARCH WAS 2.44%.

Account Activity

Confirm Date	Trade Date	Description	Units Purchased	Shares Purchased	Share Price	Balance - After Transaction
03/01/2005	03/01/2005	beginning Balance				\$272,757,1094.90
03/02/2005	03/02/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/03/2005	03/03/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/04/2005	03/04/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/05/2005	03/05/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/06/2005	03/06/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/08/2005	03/08/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/09/2005	03/09/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/10/2005	03/10/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/11/2005	03/11/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/14/2005	03/14/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/16/2005	03/16/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/17/2005	03/17/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/18/2005	03/18/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/21/2005	03/21/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/22/2005	03/22/2005	Shares Purchased By Wire	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/23/2005	03/23/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/24/2005	03/24/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90
03/24/2005	03/24/2005	Same Day Wire Redemption	\$1,000.00	\$1.00	\$1,000.00	\$272,757,1094.90

Account Number 318-3323735-8

(page 1 of 2)

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Merrill Lynch

Investment Managers

Merrill Lynch Funds For Institutions

Merrill Lynch Premier Institutional Fund

Cumulative Statement for 03/01/2005 - 03/31/2005

Account Number
318-3323735-8

Account Activity

Date Date	Transaction Description	Dollar Amount of Transaction	Share Price	Balance After Transaction
12/15/2000	Stock Redemption	\$100,000.00	\$367.00	\$367,000.00
12/15/2000	Stock Redemption	\$100,000.00	\$367.00	\$367,000.00
12/15/2000	Stock Redemption	\$100,000.00	\$367.00	\$367,000.00
12/15/2000	Stock Redemption	\$100,000.00	\$367.00	\$367,000.00

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Statement of Account

TS
D

W.R. GRACE AND COMPANY
 ATTN: CORPORATE FINANCE
 7500 GRACE DRIVE
 COLUMBIA MD 21044

Statement Start Date: 323-223141
 Statement End Date: 01 APR 2005
 Statement Code: 29 APR 2005
 Statement No: 000-USA-22
 004

Page 1 of 1

In US Dollars
 Account No: 323-223141
 01 APR 2005
 29 APR 2005
 000-USA-22
 004

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 Page 41

Total Credits
 Total Debits (incl. checks)
 Total Checks Paid

1	751,517.93	Closing (29 APR 2005)
1	751,517.93	Ledger
0	0.00	

Date	Closing Balance
04APR	0.00

Credits	0
Debits	0
Checks	0

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TRANSACTIONS

DEBITS

CREDITS

LENDING

OPENING

CLOSING

LEDGER

BALANCES

ENCLOSURES

Filed 06/04/05
 Doc 8543-1
 D4APR
 USD YOUR: NC0794081604040501
 OUR: 0509400183IN

751,517.93 NASSAU DEPOSIT TAKEN
 B/D: WR GRACE & COMPANY
 ATTN: NANCY QUENSEL
 REF: TO REPAY YOUR DEPOSIT FR 05030
 4 TO 050404 RATE 2.5000

LEDGER BALANCES
 04APR
 0.00

Filed 06/04/05
 Doc 8543-1
 D4APR
 USD YOUR: ND0833294404040501
 OUR: 0509401425IN

751,517.93 NASSAU DEPOSIT TAKEN
 A/C: WR GRACE & COMPANY
 ATTN: NANCY QUENSEL
 REF: TO ESTABLISH YOUR DEPOSIT FR 0
 50404 TO 050505 RATE 2.6000

LEDGER BALANCES
 04APR
 0.00

DEBITS

CHECKS

No Activity

Case 01-01139-AMC

T CODE:

USD - SAME DAY FUNDS
 USN - NEXT DAY FUNDS

US1 - ONE DAY FLOAT
 US2 - TWO DAY FLOAT

US3 - THREE DAY FLOAT
 US4 - FOUR DAY FLOAT
 USM - MIXED FLOAT

LEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN THE AVAILABILITY OF THE STATEMENT AND CANCELED VOUCHERS. KINDLY REFER TO THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS STATEMENT IN ORDER TO DIRECT YOUR INQUIRIES TO THE PROPER DEPARTMENT FOR PROMPT ACTION.